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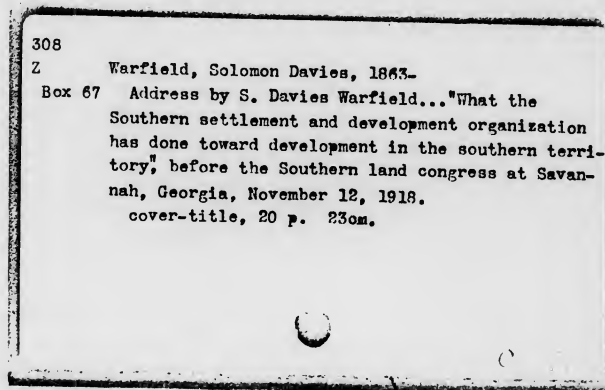
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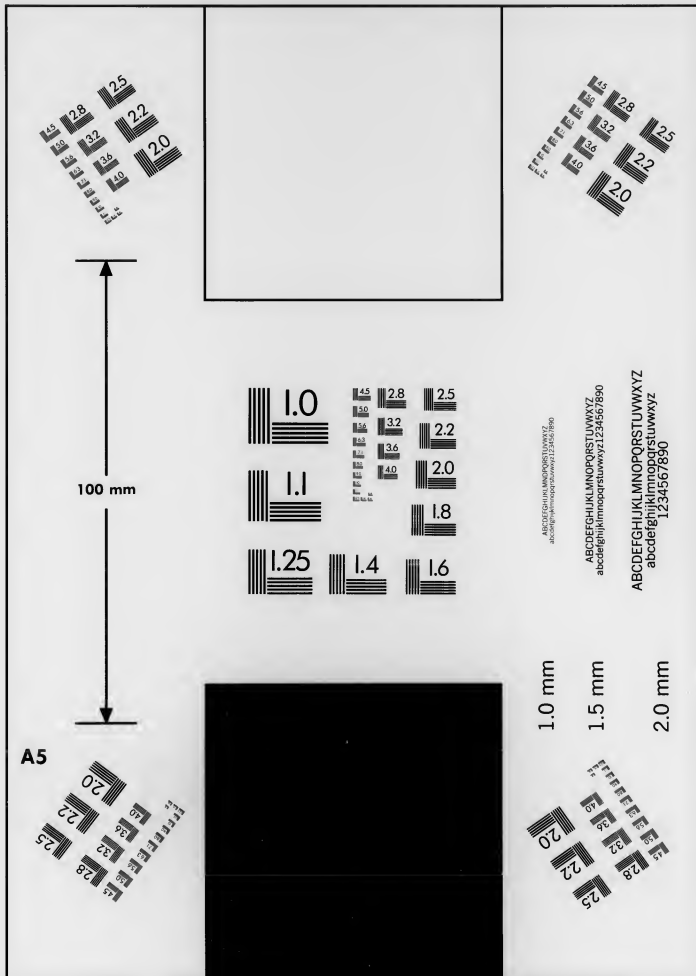
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ADDRESS

BY

S. DAVIES WARFIELD

PRESIDENT OF THE

SOUTHERN SETTLEMENT AND
DEVELOPMENT ORGANIZATION



"What the Southern Settlement and Development
Organization has done toward development
in the Southern Territory."

BEFORE THE

SOUTHERN LAND CONGRESS

AT SAVANNAH, GEORGIA

NOVEMBER 12, 1918

ADDRESS

BY

S. DAVIES WARFIELD

*President, Southern Settlement and
Development Organization*

*President, The Continental Trust Company,
Baltimore, Md.*

*Chairman and President, Seaboard Air Line
Railway Company*

*President, National Association of Owners of
Railroad Securities*

BEFORE THE SOUTHERN LAND CONGRESS
AT SAVANNAH, GA.
NOVEMBER 12, 1918

THE SOUTHERN LAND CONGRESS, WAS HELD AT SAVANNAH, GA., NOVEMBER 11-12, 1918, UNDER THE AUSPICES OF:

THE SOUTHERN SETTLEMENT AND DEVELOPMENT ORGANIZATION, BALTIMORE, MD.

CUT-OVER LAND DEPARTMENT OF THE SOUTHERN PINE ASSOCIATION, NEW ORLEANS, LA.

GEORGIA LAND OWNERS' ASSOCIATION, WAYCROSS, GA.

FLORIDA TICK ERADICATION COMMITTEE, JACKSONVILLE, FLORIDA.

NORTH CAROLINA LAND OWNERS' ASSOCIATION, WILMINGTON, N. C.

SAVANNAH BOARD OF TRADE, SAVANNAH, GA.

And other Agricultural and Commercial Organizations in the South.

2 March, 1920 - C.R.W.

ADDRESS OF S. DAVIES WARFIELD
Before the Southern Land Congress

MR. CHAIRMAN AND GENTLEMEN:

The world has undergone great and far-reaching changes since the meeting held in this city one year ago when it was my privilege to discuss the problems of the South, especially in their relation to the best uses for the millions of acres of unoccupied lands lying within our southern country. The necessity was then emphasized for the immediate application of such lands and of the South's great natural resources "to aid the Government in helping to feed our armies and those of our allies" by supplying the food and materials essential to the successful conduct of the war.

At that time the hand of Prussian autocracy was reaching out for the control of the world. We had entered the war only a few months before, forced in largely by the fiat of one man—Von Tirpitz, master of Germany's submarine warfare. This fatal mistake of the rulers of Germany in determining to pursue their damnable system of under-sea piracy, brought our country into the war that was to end for all time the autocratic power of the rulers, by hereditary right, of Germany, Austria-Hungary, Turkey and Bulgaria, who have brought humiliation and ruin to the peoples of those countries.

Only in July last we trembled for the safety of the world. Millions of soldiers of Germany and her allies, after devastating Belgium and northern France and destroying Russia, Serbia and Roumania, and after their March-June drive to within thirty miles of Paris, were preparing for their final attempt to stampe the troops of Great Britain, France, Italy and

America and to reach Paris. Prussian autocracy again reared its head in the fiat of another of Germany's masters,—Ludendorff, the recognized leader of the armies of Germany and her allies, and he staked their all in blows to be delivered against our armies in his mad rush toward Paris, which was to mark the fall of world democracy and substitute instead Prussian militarism and domination.

Again a fatal blunder was made. One-man power had prevailed. Their armies had reached the peak of their power. Less autocratic methods would have revealed that their ultimate success was hopeless and that the period had arrived for genuine peace negotiations. To have stopped, to have recognized the impossibility of attaining the goal for which they were drenching the world in blood, would have saved them from terms that the world will now exact from all who have engaged in the destruction they have wrought. The German Empire tottering, Bulgaria surrendered, Austria-Hungary surrendered and disrupted, Turkey gone, Serbia and Roumania delivered and Russia to be delivered.

The immortal Shakespeare has said:

“There is a Divinity that shapes our ends rough-hew them how we will. * * * There is a special providence in the fall of a sparrow. If it be now 'tis not to come; if it be not to come, it will be now; if it be not now, yet will it come.”

That doctrine has been justified by results; it was to be; it has come. And God, upon Whom the Kaiser, claiming to rule by Divine right, so often called for His approval of thousands of inhuman and dastardly acts while the prayers of the Christian world were crying out—has religion perished, has at last answered by giving to the world the greatest ocular demonstration since the birth of Christ of the working of His mysterious ways in the utter destruction of those, who, in His name, have com-

mitted outrages hitherto unknown to civilization. They have been beaten; their wholesale massacre of millions of Christians of the far East forever stopped, and our allies, traveling the ground the Soldiers of the Cross trod over a thousand years ago, have wrested from the Turk the Holy Sepulchre and Palestine has come under Christian rule—all within three months, incredible to believe!

British soldiers were destined to free the Holy Land. History tells us with what tenacity they for centuries strived. Five hundred years ago Shakespeare put in the mouth of the English King, Henry IV, when rallying his forces for the Holy Land, these words of matchless beauty: “Therefore, friends, as far as to the Sepulchre of Christ, (whose soldier now, under whose blessed cross we are impressed and engaged to fight), forthwith a power of English shall we levy, whose arms were moulded in their mother's womb, to chase these pagans, in those holy fields, over whose acres walked those blessed feet which, fourteen hundred years ago, were nailed for our advantage, on the bitter cross.” And the British soldiers of today have crossed “those holy fields” and for the only time in the Christian era, the tomb, wherein laid the body of Christ, becomes permanently ours; while there falls forever the citadels of the rulers of the autocracies of the world. And so autocracy will finally always fall when oppressing the people, whether practiced by their rulers or in its full exercise in the various walks of life.

With the end in sight the period of reconstruction is nearing, for which we are as unprepared as when called upon to save the world. We of the South are vitally concerned in the methods to be followed in reconstruction, perhaps more so than any other section of the country, with our millions of undeveloped acres, minerals and numerous resources, the greatest territory of opportunity in the world. And as we turned from peaceful pursuits to the making of war, we shall now consider preparation

for meeting the far-reaching problems of reconstruction.

During the conduct of the war it has been necessary for our Government to adopt autocratic measures and rules to enforce authority and to secure the results necessary to success. Such authority has been generously given by legislative bodies and by the people. Many of us have doubtless felt that at times the measures taken were unnecessarily harsh. No people on earth ever submitted themselves in such an incredibly short time to the various forms of authority, restraint and measures, giving up everything to the winning of the war. Every nationality among us with very few individual exceptions, all sections of the country, all creeds, all political parties, capital and labor, all forms of industrial, financial and social life bent themselves to the needs of the hour in a manner unexampled in history. This has been the peoples' war, and the glory of its conduct and its winning belongs to the American people in close conjunction with our allies—Great Britain, whose navies in silent watch month after month, year after year, stood between America and German piracy—with glorious France that has produced the greatest military genius of all ages, and with steadfast and loyal Italy.

It is not meant to detract from the officials of the Government and of the states one jot of the credit due them; from the President to the holder of the office of least importance. The people of the country, however, set the pace for this war. They gave their time, their treasure, the best that was in them, our citizens of all classes and of all parties rushed to do "their bit", and now is required the same cooperative spirit, the desire to live and let live, and the recognition of the rights of all in the great reconstruction period we are about to enter.

The conference referred to that took place in this city on November 19th, 1917, was composed of the Georgia Land Owners Association, Southern Pine Association,

Florida Cattle Tick Eradication Committee, North Carolina Land Owners Association and others, and was held under the auspices of the Southern Settlement and Development Organization. As President of that Organization I attended, to point out the extent of its operations, what it had already accomplished and was endeavoring to do for the development of the southern country. At that time Food Administrator Hoover was appealing to the country to provide beef for our allies and ourselves. He stated that the supply of beef cattle of the world was twenty-eight million head short.

For over a year prior to that meeting the Organization had been engaged under well defined plans in demonstrating to the people of the South that all highly prosperous and continuing systems of agriculture have as their basis the live-stock industry. We had already made a study of the conditions surrounding the problems involved and recognized that to bring about a widespread development we must find the means to unite the people on plans sufficiently broad and definite to enlist their entire cooperation, and enable them to secure the cooperation of their respective states. We believed the prosperity of one state would reflect corresponding benefits to neighboring states.

Starting with a conference of land owners, meat packers and others at Tampa, Florida, February 10-11, 1916, plans were followed to work from the peninsula of Florida up through the South Atlantic States to Maryland and West Virginia. From this conference grew the Florida Cattle Tick Eradication Committee of the Southern Settlement and Development Organization represented here today.

This was the pioneer organization of land owners. The necessity for the eradication of the cattle tick was recognized as the first step. Large landowners and others joined and work was begun to impress upon the

State authorities the necessity of legislative action in supplying money for tick eradication and for aiding the live-stock industry.

The Florida Committee presented to the members of the Legislature of the State the necessity of state aid as embodied in a bill which was passed by the Legislature appropriating \$150,000. for tick eradication and for protecting and improving live stock.

Following the organization of Florida, numerous meetings were held under the auspices of the Organization in other States of the South. As many as six thousand persons attended some of these meetings and conferences, and a live-stock campaign was vigorously pushed throughout the southern states.

The Organization has been the pioneer agency in developing on an extended scale the essentials to the *preparation* of the southern territory for the raising of cattle and live stock. We recognized that "preparedness" must be taught. And as the forerunner of a successful cattle industry, practical and extensive cattle tick eradication in the infected territories of the South has been made a success under the stimulus of the work performed by the Organization in cooperation with your Associations and State authorities and with officials of the Department of Agriculture, men like Doctors Mohler, Rommel, Ramsey and Piper, all of whom have repeatedly endorsed our work. Large State appropriations have been secured through our activities in cooperation with our associates, for this work.

Methods were employed by the Organization to bring home to the southern people the full recognition of their own strength and the necessity of cooperation by organization, to place before the nation and the world the advantages of the southern country—its climate, its lands, the low price of the lands, the attractiveness of the South as a place to live in, and the many advantages

this section of the country holds out to those who seek a place of residence and a place of business.

It is unnecessary for me to outline by further detail what you already know to have been the achievements of the Organization. Land Owners Associations and kindred organizations represented here today with over three thousand members representing 25,000,000 acres of land, would not be in existence, you will agree, had it not been for the untiring work of Vice Presidents Ucker and Pindell and others of the staff of the Organization, who, in season and out, with ability rarely found, and often against various forms of opposition and with frequent discouragement, steadily pursued the lines of operation the Organization mapped out to bring success. That success was evidenced by the first combined meeting of the organizations we had been instrumental in forming, held in November last, and is further attested by this gathering here today of those or kindred associations made possible by our efforts, to determine the best means for pursuing the work so auspiciously begun.

At the meeting last November you passed resolutions declaring your purpose to help "in sustaining our soldiers and sailors and those of our allies", calling attention to the southern country, and endorsing the plans proposed by the Organization by arranging for representation of the various Associations on the Executive Committee of the Organization that—"collective action may be taken in matters which will be of benefit to and will extend the usefulness of the respective organizations here referred to, for the purposes for which they were organized." Your resolutions contained also the following, viz: "We ask the cooperation of our Government, our states, the transportation companies, financial institutions, and others interested in the advancement of our southern country, that we may fulfill a patriotic duty in helping in sustaining our soldiers and sailors

and those of our allies in stamping Prussian despotism from the face of the earth." You tendered thanks to His Excellency, Governor Dorsey, of Georgia, Mayor Pierpont of Savannah, and officials of the Agricultural Department, all of whom were present. The resolutions provided that copies be forwarded to Secretary of Agriculture Houston, Food Administrator Hoover, to your United States Senators and Representatives in Congress, to the Governors of your respective states, and other State officials. And well has it been answered. Governor Dorsey, of Georgia, and the Mayor of Savannah have given hearty cooperation and so have the others you solicited.

But perhaps the most substantial cooperation and recognition of the value of the work of the Southern Settlement and Development Organization, and of the work you all are performing for the South, has been given by the United States Senators from the great states composing the southern tier of states and to which I shall presently allude.

As stated to you last November, the Organization's main support from the time of its formation in 1912 came from certain railroads operating within southern territory. The Organization, as you know, grew out of a conference of seventeen Governors of Western and Southern States held in Baltimore in December, 1911. The Western Governors were showing, by means of a specially equipped train, the products of the West—what they could do for the new-comer. We in Baltimore having notice of their visit, invited to Baltimore to meet them, the Governors of the Southern States, heads of transportation systems and leading men of affairs operating and residing therein. There was a large attendance. In addition to the Governors of seven Western States, Governors of ten Southern States were present. The suggestion was made by Southern Governors, lead-

ers of transportation companies and others that an organization should be effected to take up the development of the southern country, without respect to any particular state or any particular interest involved, and to be a non-partisan body to operate, of course, without profit. I was asked to take the head of the movement and later the presidency of the Organization, and accepted only upon the urgent solicitation of the Governors and others, including heads of numerous transportation companies. A charter was secured from the Legislature of Maryland and from the same Legislature we secured an appropriation of \$30,000 to assist in the work.

My position has been a difficult one, for in such movements men of narrow vision sometimes take the places in corporations of men of broad vision whose companies gave cooperation as long as they were with them. When they were gone the financial support that was promised and we were entitled to receive from the railroads they had represented, in some instances was withheld by those succeeding them, an evidence of their lack of appreciation of a development reaching beyond their own selfish interests. It has been this policy that was partly responsible for many of the difficulties of the railroads in the past. We filled the gap, however, and obtained success.

Vice President Ucker has just completed a tour of the South, from New Orleans to Norfolk, Va., occupying over a month, with Mr. H. T. Cory, of the Department of the Interior, to whom Secretary Franklin K. Lane has committed the operation of plans for bringing into the South returning soldiers of the war, to be carried out along lines set forth by Secretary Lane at yesterday's meeting. It was at the request of the Secretary that Vice President Ucker accompanied and introduced Mr. Cory through various states of the South. Mr. Ucker supplied such information as will assist Mr. Cory and the Department of the Interior in carrying out their plans. Mr. Cory will speak to you today. The complete

endorsement he gives to the work of the Organization is very gratifying. The hope was expressed to me from Secretary Lane that nothing might prevent the continuance of the Organization, with the request that we co-operate in the work he has set out to accomplish. This we have done and will continue to do to the fullest extent.

Let us now consider the conditions surrounding the Southern Settlement and Development Organization. When the operation of the railroads for the war period was taken over by the Government, necessarily the control of their expenditures passed also from private management. Such appropriations by railroads as had been made to the Organization came, therefore, under the supervision of the Director General. In several communications addressed to him by me the work performed was outlined, and the continuance of the appropriations was requested. Many of the representatives of the Associations here today were notified, and they attended conferences at Washington to ask that the Government continue the appropriations. They requested the cooperation of the Senators of their states. The Senators promptly responded. The Southern Senators desired to do everything possible to have continued to the Organization the appropriations from the railroads, and in addition to have restored the appropriations the individual railroads formerly spent in agricultural and industrial development and which had been largely contracted or altogether cut off.

A petition was directed to the Director General and signed by twenty-seven Senators from fifteen southern states setting forth the operations of the Organization, its activities in the development of the South and requesting that the railroad appropriations to it be continued, with the further request that the general development work in the South be continued by the railroads.

The result, however, was that we were notified that the Railroad Administration had reached the conclusion that the appropriations ought not to be made. In a letter transmitting this notice to us Director of Public Service and Accounting Charles A. Prouty stated: "While I was personally desirous of permitting railroads to continue contributions to your association, which I regard as a highly meritorious one, I could not deny the force of argument of my associates." The position taken was that contributions should not, to quote their reasons, be made to a "private organization not under Government control." The matter was again taken up with the Railroad Administration, and in detail it was explained that this is not a private organization; that it received its charter, which fully set forth its public nature and purposes and from a state which contributed \$30,000 to its support, thus attesting the public character of its work which is not for profit. Moreover it was suggested by me that the control of the Organization be taken over if they thought it necessary to continue the appropriations. After several months' delay, during which a number of Southern Senators were active in their efforts, we were finally notified by the Railroad Administration that while they recognized that the Organization, to quote from their second letter,—"has done a vast amount of good in the past" and the appropriations were "all right when railroads were under private operation," "the situation has now changed", the letter went on to say. Still another letter said "it would be unwise for the Government * * * * to make * * * * through the Railroad Administration contribution to agencies under private control no matter how effective such agencies might be." As already stated it had been suggested that they take over the control.

"The situation has" indeed "changed" when an agency like this, admitted in every one of their com-

munications, each written by a different official, to be "a highly meritorious one"; "has done a vast amount of good in the past" and "no matter how effective such agencies may be", must be discontinued on a mere pretense in order that autocratic methods may be firmly entrenched to replace those which have been the means of developing the Southern country and will continue to do so to a greater extent in proportion to the rapidity with which you have restored to you the management of your own affairs.

It is not my purpose to offer criticism of what the Director General may have considered to be his duty in the premises. While I cannot agree and no man in this room will agree, that the reasons given were sufficient to withhold the appropriations and with the position taken, nevertheless it has been taken, and we are compelled to accept it.

On April 30th last all means for the support of the Organization were thus cut off and I found myself in the position of being required, personally, to provide the money to keep it alive, or see a creation of five years' work go in the scrap heap. This seemed unfortunate, and further, since it was at our suggestion and under the guidance of this Organization that you created Associations and Committees working in ten states, representing thousands of members and millions of acres of land, there was a duty owing you to see that the Organization was continued to a period when we could come together and determine what course to pursue. There was also the desire to make use of the experience and information gained by the Organization which we thought would be extremely useful in assisting in providing homes in the South for our returning Soldiers, in cooperation with Secretary Lane and his associates and which they said would be of especial benefit at this particular time to their Department,—and consequently to you and to the South.

It was unfortunate that our operations had to be curtailed by the withdrawal of funds for we were compelled to materially reduce our operating force.

For the financial support of this Organization to be withdrawn for the reason alleged is not reassuring. The question may well be asked did Federal control and operation of the railroads, and the war require that this Organization cease to exist because of the reasons—purely technical—given by the Railroad Administration for cutting off the railroad appropriations to it; or was it because the existence of any operation such as this—where personal initiative is given play—might interfere with present autocratic methods and their firm and perhaps permanent establishment in the Government control and operation of the railroads. The railroads were said and were supposed to be taken over, for the "purposes of war". There is no war purpose, other than the actual transportation of troops, more important than to help to support an established agency, such as this, to provide from lands hitherto unused, beef and food-products for which the Government, through Administrator Hoover and through others, has been constantly and urgently appealing. What other single agency, and in a more patriotic fashion, has done or could do more, or as much, in a quicker, more economical and efficient manner, than this Organization and you who have depended upon it, to provide the very beef and food asked for by one department of the Government and now assisting another department in providing for our returning soldiers, while the Railroad Administration of the Government in the midst of war and of our work cuts off the money to support that work and that agency. If one Governmental department to make a saving of only \$25,000, per annum,—the recent yearly expenditures of the Organization—establishes this policy in times of war when the products of our work are deemed essential to conduct it successfully and are called for by other departments, what have

you to look forward to in the times of reconstruction you now face?

I am not here to discuss the railroads excepting in their relation to the Organization and to the development of the territory in which it and your Associations operate. You owners of the undeveloped lands of the South and seriously concerned in their development have a vital interest in seeing that nothing is done that will check and hamper the work you have begun.

The people of the country and of the South especially, are to determine through the Congress and through the states whether the best and most efficient railroad service, and with it the most efficient means for the development of the country and of business, can be best secured through individual initiative and private operation and ownership of the railroads, properly and effectively controlled and sanely regulated, or by means of an autocracy set up by the Government in its stead. You are now facing the most serious time ever faced in our industrial and social life.

The people must decide whether an autocracy in our ruling and governing life shall be built upon the dying embers of the feudal autocracies that until now alone remained and were destroyed that the world be "made safe for democracy", or whether we shall be returned to methods of true Americanism under which this country prospered as no other ever did and that enabled us in this war to demonstrate to the world what freedom of human action means in the life of a nation.

It may be natural that those in power should wish to perpetuate their great powers but recently granted to them, or as many of them as they can hold. But such an autocracy as the Congress was compelled under conditions of war to temporarily set up was under the stress of those very conditions and it may be safely believed that the Congress intended it for no other purpose. Take care lest we now create in this country the very condi-

tions which the life's blood of millions of men has been shed to destroy in other countries.

There are two schools of thought in the country on the questions that will arise during reconstruction, which affect your interests and also the fate of the railroads. One stands for the rights of property and believes in safeguarding property, at the same time guaranteeing to the people as a whole their full enjoyment of the benefits derived from the success of the individual, but without destroying his initiative and impairing his right to personal and business freedom, just as long as he conducts himself with due regard to the rights and comfort of others in the state and nation. The other stands for centralizing in the Government, the ownership and operation of all public franchises on the theory that the Government, or "the people", as they term it, should own the great enterprises of the country, and limit the rewards of individual initiative and endeavor to what Government thinks should properly belong to the individual. Government operation and perhaps ownership of the railroads, and paternalism, promise the greater opportunities for securing political perpetuation of power. We may, therefore, look for a leaning in administrative circles to the latter method. These questions will likely be made political issues and very soon occupy the attention of the two great political parties.

The people of the country must decide upon one of two courses. One, for those who own the railroads to proceed along lines that will secure all that can be obtained for them through negotiation with the Government under prospective Government ownership, and thus accept Government Ownership without regard to whether this is in the best interest of the people as a whole;—the other course is to treat the question as a public and an immediate issue which the Railroad Administration is now forcing upon the country, and meet the issue, by deciding whether the people are better served under a plan which

will retain to them the properly regulated private management of their properties and preserve to them the benefits of individual initiative. The issue has been made largely by the drastic provisions of the railroad contract that the Government has presented to the railroads to execute for their operation, and also by the far-reaching orders issued from time to time by the Railroad Administration, which permit things to be done far beyond what can be argued as necessary for the sole purposes of the war and are apparently intended to promote one railroad system for the country along lines arbitrarily decided without reference to the owners of the properties concerned or the necessities of the territory they serve, and at the same time require that the owners shall sign away the right to protect themselves.

President Wilson stated, before Congress, when the operation of the railroads was taken over:

"The commission will be carried out with as little disturbance to the present operation and personnel of the railroads as possible. Nothing will be altered or disturbed which it is not necessary to disturb. We are serving the interests of those by whom these great properties are owned, and glad to avail ourselves of the experience and trained ability of those who have been managing them."

It is unfortunate that the evident intentions of the President when taking over the railroads have not been followed by those who operate them. Not only are parts of railroad properties being "altered and disturbed which it is not necessary to disturb" solely for war purposes, but things are being done making it impossible, without great loss to many railroads, to return them as going concerns, and as when taken over by the Government. Instead of the Railroad Administration being "regardful of the interests of those by whom these great properties are owned," and availing itself of "the experience and

trained ability of those who have been managing them," its declared policy is to operate the properties entirely outside of and with little regard to their directors and their managements or of their wishes. It remains to be seen whether the Congress meant what it said when it wrote into the Federal Control Act the following after providing that the properties be maintained and kept up as going concerns,

"In order that the property of each carrier be returned to it *in substantially as good repair and in substantially as complete equipment* as it was in at the beginning of Federal control."

And

"That the Federal control of railroads * * * shall continue for and *during the period of the war* and for a *reasonable time* thereafter which *shall not exceed* one year and nine months next following the date of proclamation by the President."

The Act provides, therefore, for the return of the railroads *not* "one year and nine months next following the date of proclamation by the President" but within a "*reasonable time*" after the war "*not to exceed*" that period.

The shippers and land owners of the country are as much concerned in the questions at issue—whether the railroads are owned and operated by the Government or under private ownership and operation—as any interest involved. The securities of their own companies, if they are corporations, are affected,—and if they are not corporations their business is affected—by the sympathetic effect of any action that adversely affects the billions of railroad securities outstanding, besides which the success of the shipper and land owner is dependent upon adequate and proper railroad and development service.

Labor has also to consider whether its interests would be protected under a system that would retard its expansion and subject it to all the evils made possible by a political control which changes every four years.

Do not think that such advocates as there may be of Government ownership are to be found exclusively among Government officials and others entirely outside of the railroads. For among owners of large amounts of railroad stock, closely identified with past railroad managements, are to be found some who prefer to sell out to the Government now, while at the same time believing that Government ownership is not to the best interests of the country. There are also some railroad operators, who, rather than see the railroads returned without them in control of the operations of the railroads with which they have been identified, would prefer to see them stay where they are.

The question of the relations of the railroads of the South to the Organization, to your Associations and to the development of the southern country, during Federal control, and what these relations shall be in the future, are very vital to you and to the whole country. For if there is to be created, as now indicated, a Governmental autocracy in the conduct of the affairs of these great trade arteries of the nation, with \$17,000,000,000 securities outstanding, employing 2,000,000 men and controlling 250,000 miles of railroad, it will not stop there. The system of paternalism thus established under desire for more power and control would be extended to all industrial activities and, perhaps, into the private business of the individual. The gradual encroachment of such a system upon property rights and upon personal liberty, the restraint entailed thereby, and the political control thus made possible, must finally result in a one-party country, the forerunner of a form of Governmental autocracy that could be finally overthrown only by revolution. If there is a people to whom the very idea of such a system of

paternalism must be repugnant, it is those of us who live in the South.

The people of the South should determine which they consider to be the best method for the development of their millions of acres of idle lands and mineral wealth. My own judgment is that only through comprehensive plans of control and regulation under private management and initiative can the best results be obtained from any of the great industries of the country. It is earnestly to be hoped that the initiative of the American people and those characteristics known to the world as Americanism, shall not be destroyed by a Governmental policy of control or ownership that will stifle individual effort and incentive. What will become of the individual incentive for invention which has produced the air brake and the other life saving devices and instruments for economy under individually operated railroads, now stopped, and one or two men sitting in their offices in Washington deciding on standards for all the railroads.

You have had said to you by officials connected with the Agricultural Department in close touch with our work, that Government officials cannot instill in people of any section of the country the same intensive interest in constructive work, such as we have undertaken, as can be accomplished by those who live and have their own interests at stake among the people of which they are a part. That legislation by states to encourage state development of their resources cannot be so successfully secured by Federal agencies, nor is the machinery in the hands of such agencies, or the means to point out the necessity, to secure among the states such legislation and incentive as can be secured under the personal appeal and endeavor of the people who live in them. To destroy this would be a crime against the industrial, business and financial growth of the country, and I do not believe the people of this country will ever permit it.

It is recognized by all who are not prejudiced, and on all sides and by the accredited representatives of the Government, as well as the Railroad Administration, that this Organization has performed a great service to the southern country. It would be, in my judgment and in the judgment of a great many who have discussed the subject with me, a great misfortune were its activities permitted to end, and particularly at this period of reconstruction when its services are so much needed. In order that the Organization may be continued I will be glad to now make myself responsible for at least one-third of the total amount of money necessary for its operations, per annum, and for a period of two years. In other words, if the Associations we have been instrumental in organizing and which are mostly represented here today, will secure appropriations to the extent of two-thirds of the amount necessary for the operation of the Organization, I will make myself responsible for the remaining one-third, per annum.

In making this suggestion permit me to state that I am ready to serve the Organization in any capacity which will be to its best interest and to the best interest of your Associations and the South generally. If in the plans that are outlined it should be considered advisable that someone other than myself be chosen to take the presidency of the Organization, you may rest assured I shall work in the ranks or in any other capacity that may be thought wise and which will continue the development of the South, for which I have a genuine affection, under a broad and comprehensive constructive policy.

MSH 21582

**END OF
TITLE**